INDEPENDENCE GROUP NL (ASX : IGO)
QUARTERLY REPORT FOR THE 3 MONTHS ENDED 31 DECEMBER 2011

GROUP HIGHLIGHTS

- **Approximately $118M before costs raised on 19 December 2011 from a placement at $4.00 per share to sophisticated and professional investors.**
- **$262.2M cash at 31 December 2011 providing a strong balance sheet and funding for IGO's share of construction costs of the Tropicana Gold Project Joint Venture.**
- **Significant increase in the Tropicana Mineral Resources of 1.05Moz Au to 6.41Moz Au (AngloGold Ashanti (AGA) (Manager) 70%, IGO 30%).**
- **Jaguar Operation's continued improvement in production with an 89% quarter on quarter increase in Jaguar stoped tonnages. Consistent production from Jaguar is now forecast and, with the earlier than scheduled production from Bentley and Jaguar's Far Side ore bodies, the operation is expected to meet 2011/12 mining guidance. Increased milling rates and higher grades via the Heavy Media Separation (HMS) plant are forecast for the second half of the financial year.**
- **Construction of the HMS plant at the Jaguar/Bentley operation has been completed.**
- **The Long Nickel mine metal production exceeded budget, with production on track to meet full year guidance with a strong improvement in cash costs quarter on quarter.**
- **Maiden Resource for the Duketon Nickel JV (IGO earning 70%), with continued work to increase the resource and move towards feasibility.**
- **Scoping study commenced at Karlawinda Project (IGO 100%).**

OPERATIONS SUMMARY FOR QUARTER

LONG OPERATIONS (Ni) (IGO 100%)

Production:
- **Quarter - 66,740t @ 3.7% Ni for 2,498t Ni at A$4.69/lb Ni payable cash costs. (Budget - 60,363t @ 4.0% Ni for 2,403t Ni).**
- **Moran paste plant completed and operational.**

Exploration:
- **Successful confirmation of the Moran South DHTEM geophysical anomaly.**

JAGUAR OPERATIONS (Cu, Zn, Ag) (IGO 100%)

Production:
- **Quarter – Milled: 89,959t @ 2.6% Cu, 4.9% Zn, 74g/t Ag at A$0.44/lb Zn payable C1 cash costs. (Budget - Milled: 93,107t @ 3.2% Cu, 6.2% Zn, 92.9g/t Ag).**
- **Changes to the mining schedule post June 2011 budget forecasts make comparison to budget difficult.**

Development:
- **Bentley - development continues to track well with focus on early production from stopes.**
- **HMS Plant - construction completed and commissioning commenced.**

Exploration:
- **Surface geochemical drilling and diamond drilling continued to define new base metal hydrothermal alteration zones.**

DEVELOPMENT PROJECTS

TROPICANA JV (Au) (IGO 30%, AngloGold Ashanti 70% (Manager))

- **Tropicana Gold JV development continued to meet the engineering and construction schedule for December quarter 2013 commissioning.**
- **Project design and engineering work 90% complete.**
- **56% of the 220km Site Access Road complete.**
- **Airstrip and plant site clearing commenced.**
- **Reverse osmosis water plant and associated low salinity bore field completed.**
- **Commencement of treatment plant construction remains on schedule for June quarter 2012.**
- **Havana Deeps infill intersections included 12m @ 5.7g/t Au, 18m at 4.6g/t Au and 10m at 6.0g/t Au.**

FEASIBILITY PROJECTS

STOCKMAN (Cu) (IGO 100%)

- **Definitive feasibility study and Environmental Effect Statement continued.**
- **Drilling intercepted 1.2m @ 1.4% Cu, 5% Pb, 9.3% Zn, 133 g/t Ag and 6.4 g/t Au at a location 250m north east of the Currawong Deposit.**

EXPLORATION HIGHLIGHTS

KARLAWINDA (Au) (IGO 100%)

- **Resource extension drilling at the Bibra Prospect intersected 7m @ 6.0 g/t Au, 11m @ 2.3 g/t Au, 9m @ 2.5 g/t Au and 11m @ 2.3 g/t Au.**

DUKETON JV (Ni) (IGO Earning 70%)

- **An initial 29,800t nickel Indicated and Inferred Mineral Resource, with elevated copper and platinoids, estimated for the Rosie Prospect. Extensional drilling is planned to commence in February 2012.**

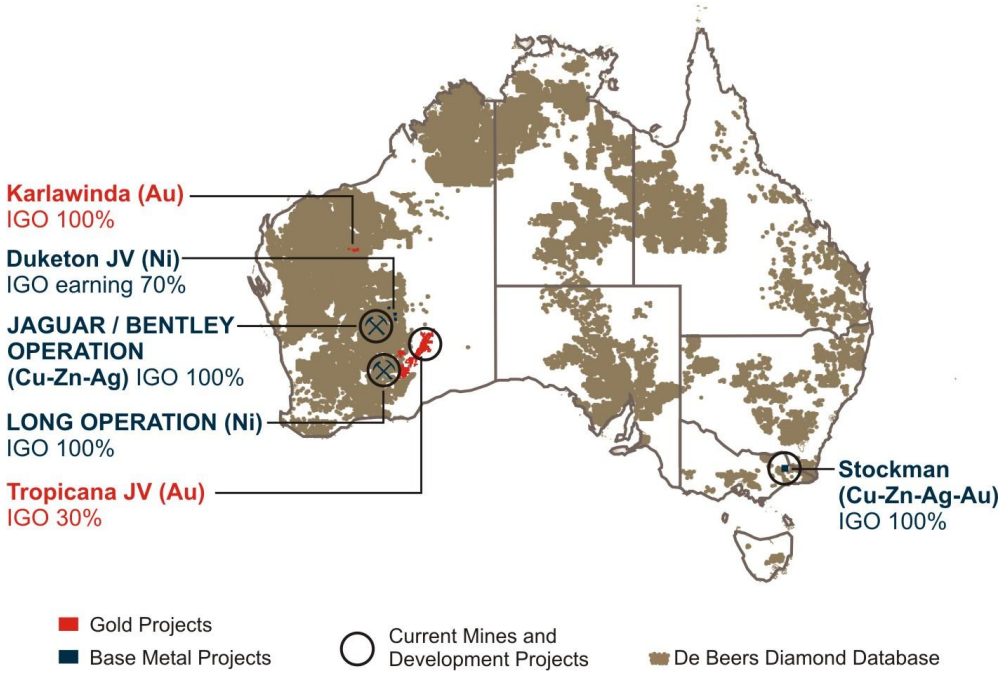

Figure 1: IGO Major Project Locations

CORPORATE

PROFIT AND LOSS

The estimated NPAT for the quarter is not yet available. The company is still in the process of evaluating the carrying value of goodwill and associated assets to which the goodwill relates. *(Refer announcement to the ASX on 5th December 2011.)* The expected completion of this work will coincide with the finalisation of the half year results in late February 2012. (September quarter unaudited NPAT loss of $8.5M).

ISSUED CAPITAL - CURRENT

232,525,035 ordinary shares. There are no options on issue.

CASH BALANCES

At the end of the quarter, the Company had $262.2M cash (September quarter: $157.8M).

CASH FLOWS

Material cash flows during the quarter comprised:

- $118M equity raising net of costs completed in December 2011.
- $28.8M net inflow of cash from operating activities, reflecting additional copper and zinc concentrate sales in this quarter that were unable to be shipped in the September quarter.
- $4.1M of bank interest revenue.
- $6.5M spent on Long, Jaguar, Stockman and regional exploration.
- $15.1M contributions to the Tropicana JV.
- $7.5M spent on plant and equipment, including Long $0.8M, Jaguar/Bentley $4.9M and Stockman $0.3M.
- $4.5M continuing the Stockman feasibility study.
- $5.7M capitalised development costs (Long $1.9M and Jaguar/Bentley $3.8M).
- $2.6M net repayment of borrowings.

DEBT

The Company had debt at the end of the quarter of $23.2M [September quarter: $27M] comprising finance lease obligations of $14.1M and a silver loan of $9.1M.

SALES PRICE CALCULATION

Sales for any given month are required to be estimated. One reason for this is as a consequence of the nickel off-take agreement with BHP Billiton Nickel West Pty Ltd. The agreement requires final settlement to be based on a future nickel price. In addition, in relation to copper and zinc sales, customers of the Company will often negotiate a sale based on a future price for that particular metal. The Company is also required to estimate the USD/AUD exchange rate when calculating sales for any given month, since payment for metal sold is received in US dollars. When calculating the quarter's profits, revenue and receivables are determined with reference to future metal prices which are estimated using price information available at quarter end. The net receivables figure above incorporates the estimated final USD metal payment converted to AUD, at the applicable exchange rate at quarter end.

HEDGING

Total hedged nickel metal at the end of December is 4,143 tonnes at an average price of A$24,147/t, of which 1,743 tonnes is scheduled to be delivered by June 2012 and the balance by June 2013.

Total hedged zinc metal is 2,375t at US$1,961/t, which is scheduled to be delivered in March 2012 and June 2012. The Company also has US$2M in foreign exchange forward contracts at an average rate of AUD:USD 0.841, US$8M in call options at an average strike of 0.917, US$4M collar options (cap: 0.853 and floor: 0.70), and US$10M collar options (cap: 0.97 and floor: 0.83) – all expiring during January and June 2012.

INVESTMENTS UPDATE

The Company's portfolio of investments in companies outside of its Group at the end of the quarter were as follows (unchanged from the previous quarter):

Musgrave Minerals Limited: 9.0M fully paid shares.

Argentina Mining Limited: 11.9M fully paid shares.

Brumby Resources Limited: 6.9M fully paid shares.

Phillips River Mining NL*: 3.8M fully paid shares. (currently under take over offer)

Laconia Resources Limited*: 10.0M fully paid shares.

Enerji Limited*: 1.5M fully paid shares

*Investments marked * were acquired through the acquisition of Jabiru Metals Limited.*

MINING OPERATIONS

LONG NICKEL OPERATION (IGO 100%)

SAFETY

Lightning Nickel incurred one Lost Time Injury (LTI) during the quarter, increasing the Frequency Rate (LTIFR) to 7.00% for the life of the operation.

The operation continued to implement its Strategic Safety Management Plan for 2011-12 and completed the update of operational procedures from baseline risk assessments. Site audits and scheduled inspections were reviewed and expanded as necessary.

PRODUCTION

Production for the quarter was 66,740t at 3.74% Ni for 2,498 tonnes of contained nickel, which was mined by the following methods:

Jumbo Stoping	10,635t	@	3.3%	Ni for	354	Ni t
Long-hole	21,115t	@	3.9%	Ni for	815	Ni t
Hand-held	4,772t	@	3.6%	Ni for	172	Ni t
Jumbo Development	30,218t	@	3.8%	Ni for	1,157	Ni t
TOTAL	66,740t	@	3.7%	Ni for	2,498	Ni t

Production was from the following areas:

Long	3,425t	@	2.9%	Ni for	100	Ni t
McLeay	16,890t	@	2.3%	Ni for	391	Ni t
Victor South	12,285t	@	3.8%	Ni for	467	Ni t
Moran	34,140t	@	4.5%	Ni for	1,540	Ni t
TOTAL	66,740t	@	3.7%	Ni for	2,498	Ni t

(See Figure 2 for ore body locations)

Contained nickel metal was 4% higher than budget (2,403 Ni t) through increased production (+6,377t) delivered at marginally below budget grade.

Metal during the quarter was produced at a cash cost of A$4.69 per payable pound of nickel (September quarter: A$5.29), versus a quarterly budget of $4.68/lb. Lower grades from McLeay were offset by above budget production from Moran.

Operational highlights for the quarter included:

- Moran mining areas out-performing budget on both tonnes and grade (+9,323t and +0.21% Ni respectively).
- Initial use of paste to successfully fill stopes within Moran, and better than anticipated geotechnical performance of the initial Moran longhole stopes.
- Establishment of access into the Moran northern orebody extension.
- Development of the Moran 600 ventilation decline as a Moran South exploration platform for March quarter drilling.

DEVELOPMENT

Capital Development

During the quarter a total of 264.2m were advanced as capital development, 222m in Moran and 42.2m between the Long 13/7 and 16/5 exploration drill drives.

Operating Development

A total of 669.3m of operating development was also undertaken during the quarter, of which 221.3m occurred in McLeay, 156.7m in Victor South with the remaining 291.3m in Moran. Operating development costs are included in cash costs.

FOCUS FOR MARCH 2012 QUARTER

The March quarter will see the operation focus on:

- Operator skills training and development.
- Implementation of INX software to support safety and training systems.
- Optimisation of Moran stoping methods and paste parameters.
- Extension of the Long North exploration platforms.
- Enhancing geotechnical QA/ QC systems.
- Separations of the Moran escape-way from the decline access.
- Developing access into the down-dip portion of Moran.
- Drill testing of Moran South exploration targets.

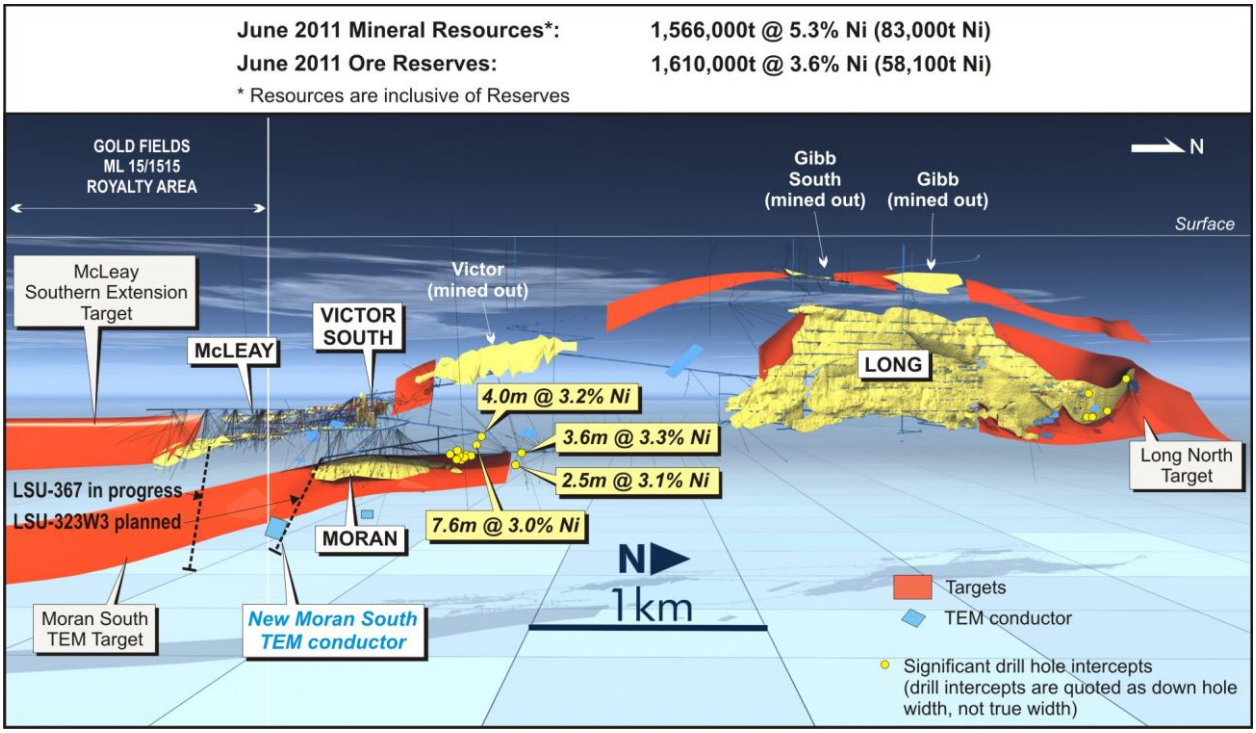

Figure 2: Long Nickel Mine – Longitudinal Projection showing target areas, TEM conductors and significant intercepts outside June 2011 ore reserves.

EXPLORATION

Drill Drive Development

Development of drilling platforms designed to allow testing of Long North and Long Deeps targets continued during the quarter in the 13/7 and 16/5 mining Levels. The 13/7 Drill Drive will be completed in the next quarter and used as a drill platform to test the Long North TEM targets located 500m north of the 2011 Long reserve boundary.

Moran Extension

The Moran South exploration underground diamond drill hole LSU-323W2 remained in hanging wall lava channel ultramafic rock and was surveyed with DHTEM, using an in-mine loop and the in-house high power transmitter. The survey successfully identified a 70m x 50m TEM anomaly, confirming a conductor 200m south of the 2011 Moran resource boundary ***(Figure 2).*** The target is 250m south-east and 150m down dip from the Moran 667 Ore Drive which is currently being developed. The DHTEM target will be tested from the Moran 600 Vent Drive in the March quarter.

Moran South

Drill testing of the Moran lava channel 400m south of the 2011 Moran resource boundary has commenced with drill hole LSU-367 collared from the 572 Drill Drive. The drill hole is at 533m and is currently in footwall basalt. Target depth is at approximately 700m down hole.

High Powered TEM Transmitter Mark III

Site testing of the new IGO High Powered Geophysics Transmitter (HPT – Mark III) was completed last quarter with refinements of the electronic design currently in progress. Further testing on site is planned for the next quarter.

Table 1: Long Nickel Mine Operation Production Summary

	Note	DEC '11 Quarter	2010/11 FY to Date	Prev. Corresp. *Quarter*
Mining Reserve (Dry Tonnes)				***(Dec '10)***
Start of Period		1,553,103	1,610,000	*1,254,765*
- ROM Production	1	(66,740)	(123,637)	*(49,544)*
End of Period		1,486,363	1,486,353	*1,205,221*
Production Details:				
Ore Mined (Dry Tonnes)	1	66,740	123,637	*49,544*
Ore Milled (Dry Tonnes)		66,740	123,637	*49,544*
Nickel Grade (Head %)		3.75	3.64	*4.86*
Copper Grade (Head %)		0.31	0.28	*0.34*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,498	4,497	*2,409*
Copper delivered	2	208	347	*167*
Metal Payable IGO share (Tonnes)				
Nickel		1,511	2,719	*1,456*
Copper		85	141	*67*
Hedging				
Tonnes delivered into Hedge		540	1,080	*600*
Average Price (AU$/t)		21,898	21,898	*19,013*

Note 1. Production is sourced from both inside and outside reserve and updated as at 1 July 2011.
Note 2. The Recovery Rate is fixed with BHP depending on head grade.

Revenue/Expense Summary		***A$'000's***	***A$'000's***	***A$'000's***
Sales Revenue (incl. hedging)		34,135	54,413	*34,905*
Cash Mining/Development Costs		(10,235)	(18,911)	*(7,969)*
Other Cash Costs	3	(5,401)	(10,853)	*(5,520)*
Depreciation/Amortisation		(1,479)	(5,483)	*(4,799)*
Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		1.86	1.90	*1.50*
Other Cash Costs	3	0.98	1.09	*1.04*
Depreciation/Amortisation		0.27	0.55	*0.90*
Unit Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	10.25	9.07	*10.88*
Cash Mining/Development Costs		3.07	3.15	*2.48*
Other Cash Costs	3	1.62	1.81	*1.72*
Depreciation/Amortisation		0.44	0.91	*1.50*

Note 3. Other Cash Costs include milling, royalties and site administration.
Note 4. Sales Revenue per pound includes nickel price adjustments for prior periods.

Safety and Productivity			
- Lost Time Injuries	1	1	*1*
- Medically Treated IFR	23.7	34.0	*34.8*
- Nickel Productivity Rate	5	76.9	70.1	*77.7*

Note 5. Nickel Productivity Rate = Annualised nickel tonnes per full-time-equivalent-employee.

Production/Exploration Drilling	**Metres**	**Metres**	
Production	343	1,645	-
Exploration	2,056	4,656	*2,478*
	2,399	6,301	*2,478*

JAGUAR & BENTLEY COPPER / ZINC MINES (IGO 100%)

SUMMARY

- The December quarter has seen an increased improvement in stoping tonnages at Jaguar, increasing by 89% compared to the September quarter. Whilst there is still some minor rehabilitation work to be undertaken, this will now form part of the normal scheduled duties.
- Ongoing infill drilling off Jaguar's Far Side copper stringer ore body continues to define higher grade Cu zones, which may add to Jaguar's reserves. A review is currently underway to investigate expanding production into additional levels.
- Development at Bentley has been focused on earlier production from stopes than initially scheduled. The earlier stoping will improve the flexibility of Jaguar Operations and significantly improve zinc concentrate production.
- Construction of the power station upgrade and Bentley transmission line will be completed in the March 2012 quarter.

SAFETY

During the quarter there were no Lost Time Injury (LTI) injuries which meant the site's Frequency Rate (LTIFR) is now at **1.68** for the life of the operation.

MINE PRODUCTION

During the quarter the operation produced a total of 99,628 ore tonnes at 2.63% Cu, 4.76% Zn and 73g/t Ag, of which Jaguar produced 79,511 tonnes at 2.86% Cu, 3.18% Zn and 56g/t Ag.

The budgeted forecast for the same period was 97,266 ore tonnes at 2.84% Cu, 6.08% Zn and 90.4g/t Ag, however changes to the mining schedule due to geotechnical conditions in the September quarter make comparisons to budget difficult. Whilst the new budget schedule attempts to extract the same quantity of ore as the budget, the timing of extraction for particular stopes varies considerably.

Tonnes Mined	
Stoping – Jaguar	63,936t @ 3.05% Cu, 3.52% Zn, 61g/t Ag
Development Jaguar	15,575t @ 2.05% Cu, 1.77% Zn, 38g/t Ag
Development Bentley	20,117t @ 1.72% Cu, 11.02% Zn, 140g/t Ag
TOTAL	99,628t @ 2.63% Cu, 4.76% Zn, 73g/t Ag

A review of the Jaguar underground has been completed and the mining plan has now been optimised to reflect the earlier issues with ground conditions. Consistent production from Jaguar is now forecast and, with the earlier than scheduled production from Bentley and Jaguar's Far Side ore bodies, the operation is expected to meet 2011/12 mining guidance.

MILL PRODUCTION

The budget throughput for the mill was 93,1071t. Production for the quarter was 89,959t at 2.60% Cu, 4.85% Zn and 74g/t Ag, which was sourced primarily from the Jaguar underground mine. Refer to the following table for a comparison of the mill production budget. The mill feed grades were below budget expectations due to changes in the mining schedule producing lower grades compared to budget. Increased milling rates and higher grades are forecast for the second half of the financial year.

Tonnes Processed (dmt)	Actual	Budget
	89,959	93,107t
Cu(%)	2.60%	3.21%
Zn(%)	4.85%	6.20%
Ag(g/t)	74g/t	93g/t
Recovery (%)		
Copper	88.3%	85.5%
Zinc	70.8%	71.7%
Silver	57.2%	48.0%
concentrate Produced		
Cu Concentrate (dmt)	9,093t	11,116t
Cu (%)	22.7%	23.0%
Cu (t)	2,088t	2,557t
Zn concentrate (dmt)	6,751t	8,671t
Zn (%)	46.5%	48.0%
Zn (t)	3,134t	4,162t

Payable zinc metal during the quarter was produced at an average C1 cash cost of A$0.44/lb (September quarter: A$0.49/lb), after considering by-product credits. Cash costs including royalties were A$0.75/lb (September quarter:A$0.51/lb).

Table 2: Jaguar / Bentley Operation Production Summary

	Note	December 2011 Quarter	2011/12 FY to Date
Mining Reserve (Dry Tonnes)			
Start of Period	1	3,175,249	3,276,000
- ROM Production	2	(99,628)	(200,379)
End of Period		3,075,621	3,075,621
Production Details:			
Ore Mined (Dry Tonnes)		99,628	200,379
Ore Milled (Dry Tonnes)		89,959	182,485
Copper Grade (Head %)		2.60	2.28
Zinc Grade (Head %)		4.85	5.05
Silver Grade (g/t)		73.62	76
Metal in Concentrate Production (Tonnes)			
Copper		2,068	3,638
Zinc		3,134	6,848
Metal Payable IGO share (Tonnes)			
Copper		1,978	3,475
Zinc		2,594	5,654
Revenue/Expense Summary		***A$'000's***	***A$'000's***
Sales Revenue (incl. hedging TC's/ RC's)		44,947	47,735
Cash Mining & Processing Costs		(13,438)	(26,215)
Site Admin & Trucking Costs		(4,738)	(8,996)
Shipping		(1,528)	(2,077)
Royalties		(1,768)	(1,909)
Notional Unit Cost Summary		***A$/lb Total Zn Metal Produced***	***A$/lb Total Zn Metal Produced***
Mining & Processing Costs		1.94	1.74
Other Cash Costs	3	1.10	1.00
Copper and Silver Credits		(2.67)	(2.35)
C1 Costs	4	0.37	0.38
Royalties		0.26	0.13
Notional Unit Cost Summary		***A$/lb Total Zn Metal Payable***	***A$/lb Total Zn Metal Payable***
Mining & Processing Costs		2.35	2.10
Other Cash Costs	3	1.32	1.21
Copper and Silver Credits		(3.23)	(2.84)
C1 Costs	4	0.44	0.47
Royalties		0.31	0.15
Safety and Productivity			
- Lost Time Injuries		0	1
- Medically Treated IFR		16.78	17.02

Note 1: Reserve updated as of 1 July 2011.
Note 2: Production sourced from inside and outside of reserves.
Note 3: Other Cash Costs include, site administration, trucking & notional TC's/ RC's and notional shipping
Note 4 C1 Costs include credits for copper and silver notionally priced at US$3.55/lb and US$31.72/Oz for the quarter respectively.

HMS PLANT

The HMS plant construction is complete and commissioning has commenced. The beneficiation process or "upgrading process" is working as expected during the commissioning phase. Several batches of material have been processed through the HMS with upgrades from 0.5% Cu to 1.0-1.3% Cu and 1.0% Zn up to 5.7-7.2% Zn.

Photo 1: Jaguar HMS Plant Commissioning

MINE DEVELOPMENT

Capital Development

During the quarter a total of 1.2 kilometres of twin boom jumbo development occurred, of which 604 metres was booked as capital development.

Operating Development

570.3 metres of advance occurred as production development of which 351 metres occurred in the underground Bentley mine.

Concentrate Shipments

During the quarter 22,044 dry tonnes of copper concentrate and 10,979 tonnes of zinc concentrate was shipped from IGO's Geraldton port facilities

FOCUS FOR MARCH 2012 QUARTER

The March Quarter will see the operation focus on:

- Continued development of the Jaguar Far Side ore body and the commencement of stoping on the first levels.
- Continued commissioning and training on the HMS plant.
- Development of critical mine infrastructure in the Bentley underground mine to enable stoping to commence in the subsequent quarter.
- Continued infill drilling of Bentley resources.

EXPLORATION

The Jaguar Regional Exploration Project covers 50kms of strike prospective for the discovery of VMS (volcanogenic massive sulphide) deposits ***(Figure 3)***. It encompasses three high grade copper-zinc-lead-silver-gold deposits: Teutonic Bore (inactive), Jaguar and Bentley, centred on the Jaguar Operations, located 300km north of Kalgoorlie in Western Australia.

During the quarter infill aircore drilling was completed over previously defined anomalies at the Gravel Pit, Bentley South and Bentley West Prospects and a step-out traverse was completed at Halloween. Diamond drilling tested targets at Lagonda and Bentley.

At Lagonda, approximately 9km NNW of Jaguar, previous work has outlined an area of intense hydrothermal alteration with associated base metal mineralisation similar to that on the margins of the Bentley orebody. Diamond drilling during the quarter (3 holes 2,117m) tested DHTEM, spectral and geochemical target positions within the altered package.

No economic intersections where returned, however all holes intersected narrow zones of variably disseminated, veined and/or blebby pyrite+/-sphalerite+/-chalcopyrite+/-galena mineralisation confirming the prospectivity of this area. A follow-up drilling program will be planned once all assay results have been received.

At Bentley a multi-phase diamond drilling program has commenced, targeting regolith base metal anomalies at depth, geophysical (MIMDAS) anomalies, structural trends and vectors from 3D spectral analysis. This first phase, comprising 4 holes (2450m), commenced during the quarter with two holes being completed by quarters end. These holes intersected weak base metal mineralisation (assays awaited).

In the coming quarter, high-order multi-element base metal aircore geochemical and spectral anomalies on the Daimler - Gravel Pit – Lagonda trend are scheduled to be tested by a program of diamond drilling. Bentley South RC drilling is scheduled to test geochemical anomalies on, or proximal to, the prospective mine stratigraphic position.

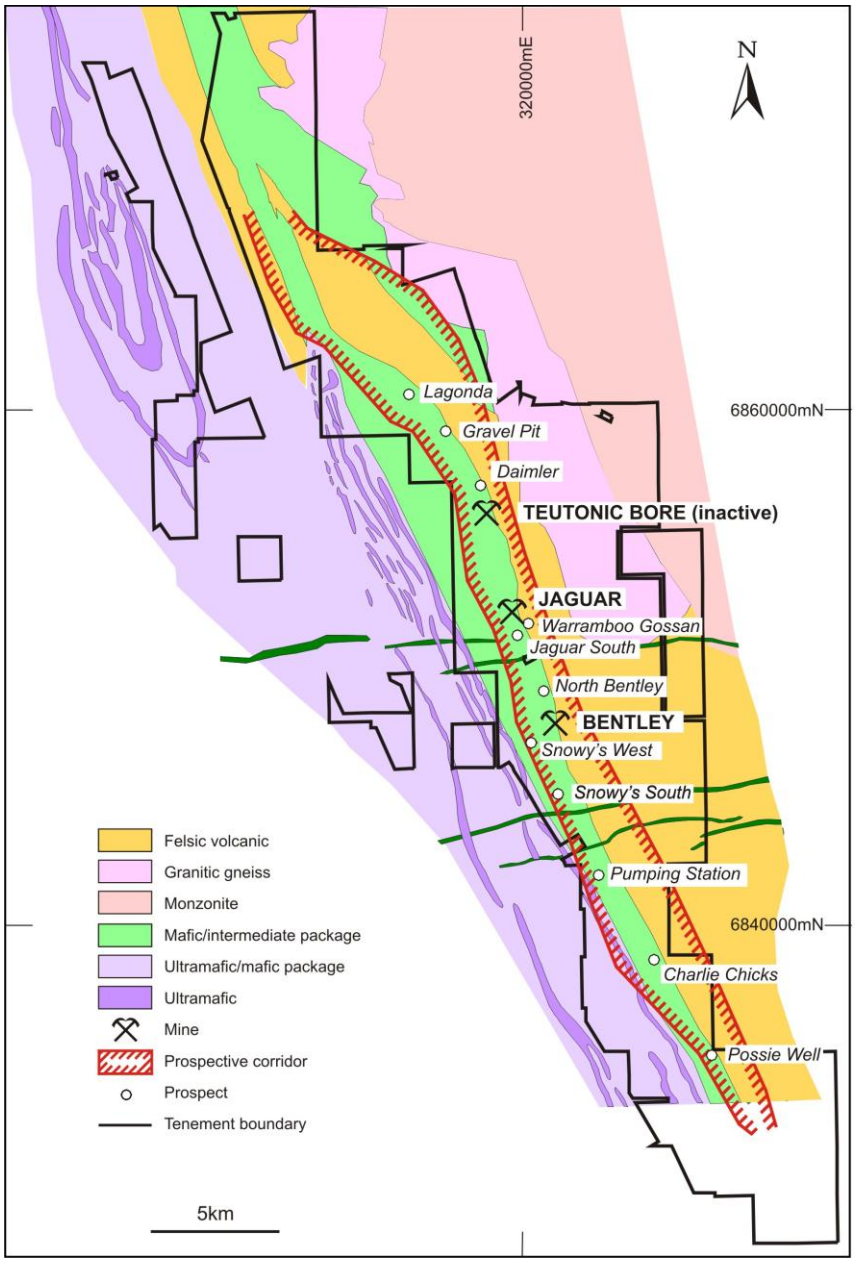

Figure 3: Jaguar / Bentley Operation – Tenure, Regional Geology, Mines and Significant Prospect Locations

DEVELOPMENT AND FEASIBILITY PROJECTS

TROPICANA JV (IGO 30%, AngloGold Ashanti Australia Limited, Manager 70%)

PROJECT DEVELOPMENT

Project development continued to meet engineering and construction schedules that will deliver first gold pour in the second half of 2013.

Site Access Road formation is 90% complete, with 56% of the final wear course in place along the 220 km road. Other construction activities included airstrip and plant site clearing, bulk earth works, internal roads and diversion channels, microwave communications tower installation and commencement of the concrete batching plant. The Minigwal process water bore field drilling is complete with all start up water requirements being identified. The reverse osmosis water treatment plant and associated low salinity bore field have been completed. As well as expanding the existing accommodation village, a temporary 100 room accommodation camp is being constructed.

Process Plant construction commencement remains on schedule for the June quarter 2012.

TECHNICAL STUDIES

Re-optimisation of the feasibility study mine schedule has commenced, focusing on optimising pit ramp exit positions and haulage profiles to capitalise on truck haulage cost reduction opportunities and provide flexibility on pit design options. Pit design optimisations seek to include the Swizzler discovery between Tropicana and Havana Main Pits and to evaluate deepening the Havana open pit to take into account the recent increase in the resource base. The re-optimised mining schedule and revised ore reserves are expected late in 2012 ***(see Figure 5).***

MINERAL RESOURCE UPGRADE

An updated Tropicana JV Mineral Resource was released to the ASX on 29 November 2011 ***(Table 3).*** The updated Mineral Resources included an additional 1.05M ounces of contained gold.

Table 3: Tropicana Mineral Resource Comparison (100% Project) 30 June 2011 to 28 November 2011

		June 30 – 2011			November 28 - 2011		
Mineral Resource	**Classification**	**Mt**	**g/t**	**Moz**	**Mt**	**g/t**	**Moz**
Open Pit	Measured	28.4	2.15	1.97	28.2	2.14	1.95
	Indicated	43.9	1.89	2.67	44.5	1.87	2.68
	Inferred	1.0	3.06	0.10	1.8	2.70	0.15
	Total	**73.3**	**2.01**	**4.73**	**74.5**	**1.99**	**4.78**
Underground	Measured	0.0	0.00	0.00	0.0	0.00	0.00
	Indicated	0.0	0.00	0.00	5.0	3.57	0.57
	Inferred	5.3	3.65	0.63	8.8	3.73	1.06
	Total	**5.3**	**3.65**	**0.63**	**13.8**	**3.67**	**1.63**
Total	**Measured**	28.4	2.15	1.97	28.2	2.14	1.95
	Indicated	43.9	1.89	2.67	49.4	2.04	3.25
	Inferred	6.3	3.56	0.72	10.6	3.56	1.21
	Total	**78.6**	**2.12**	**5.36**	**88.3**	**2.26**	**6.41**

Note: *For the Open Pit Mineral Resource estimate, mineralisation in the Havana South, Tropicana and Boston Shaker areas was calculated within a US$1,600/oz Au optimisation at a AUD:USD exchange rate of 1.14 (A$1,400/oz Au). The Open Pit Mineral Resources have been estimated using the geostatistical technique of Uniform Conditioning. The Havana portion of the Open Pit Mineral Resource lies within the Bankable Feasibility Study Open Pit Design which was calculated at US$880/oz Au at AUD:USD exchange rate of 0.80 (A$1,100/oz Au). The Havana Deeps estimate was*

calculated at US$1,600/oz (AUD:USD 1.14) (A$1,400/oz Au). The Havana Deeps Underground Mineral Resource was estimated using the geostatistical technique of Direct-Block Conditional Simulation using average drill hole intercepts. The following cut off grades were used: Open Pit: 0.3 g/t for Transported and Upper Saprolite material, 0.4 g/t for Lower Saprolite and Transitional material, 0.5 g/t for Fresh material and 2.14 g/t for Underground. Please refer to AngloGoldAshanti's 29 November ASX release for JORC compliance Competent Person sign-off.

TROPICANA-HAVANA PROXIMAL EXPLORATION

During the quarter 28 holes were drilled (948m of RC drilling and 10,317m diamond drilling) proximal to the Tropicana – Havana planned open cut. All of this drilling was completed as part of the **Havana Deeps pre-feasibility study** evaluating the open pit and underground mining potential of the Havana Deeps mineralisation which extends for a significant distance down-dip from the proposed open-pit .

Drilling continued on infill holes immediately beneath the planned open pit as well as deeper step-out holes following mineralisation down-plunge. This work confirmed the continuity of mineralisation in both the up-dip portions as well as at depth and included the following intersections. ***(Refer to Figure 5):***

- HDD186: **35m** @ **2.9g/t** Au from 254m including **18m** @ **4.6g/t** Au from 257m plus **10m** @ **6.0g/t** Au from 344m.
- HDD189: **21m** @ **4.3g/t** Au from 305m including **9m** @ **5.8g/t** Au from 306m.
- HDD054: **19m** @ **2.3g/t** from 1184m including **9m** @ **3.8g/t** from 1194m
- HDD210: **29m** @ **2.6g/t** Au from 732m.

Significant Havana Deeps intercepts received during the quarter are listed in Table 4. Assays for a number of other Havana Deeps holes some of which exhibited strong alteration indicative of gold mineralisation, have yet to be received. ***(Figure 5)***

REGIONAL EXPLORATION

A total of 453 aircore holes (23,085m), 44 RC holes (6,373m) and 1 diamond hole (220m) were completed on a number of regional prospects including Iceberg, Sidecar, Beachcomber, Brass Monkey and Scorpion.

At Iceberg (32km SW of Tropicana) significant intercepts were returned from a fence of RC holes completed last quarter testing a large aircore anomaly. Results included **2m** @ **5.3g/t** Au from 58m and **6m** @ **1.4g/t** Au from 64m. An additional significant intercept at Iceberg of 9m @ 1.1g/t Au from 40m was returned from infill aircore drilling completed during the quarter.

Significant results returned from other prospects include 4m @ 1.8g/t Au from 74m in RC drilling at Sidecar and 2m @ 2.6g/t Au from 115m in RC drilling at Scorpion.

Table 4: Significant December Quarter Tropicana - Havana Deeps Drilling Results

COLLAR						INTERCEPT DETAILS				
HOLE NO.	NORTHING (M)	EASTING (M)	RL (MAHD)	AZI (DEGR)	DIP (DEGR)	TOTAL DEPTH	DEPTH FROM	DEPTH TO	WIDTH (M)	AU (G/T)
HDD054	6760431	651020	355.5	319.0	-60.3	1251.4	1184.0	1203.0	19.0	2.3
						including	1194.0	1203.0	9.0	3.8
HDD085	6761694	650041	363.0	320.3	-59.4	420.5	361.0	372.0	11.0	2.7
HDD086	6761588	650147	363.1	320.9	-61.2	516.5	422.0	454.0	32.0	2.7
						including	442.0	454.0	**12.0**	**5.7**
HDD170	6761811	649817	366.7	321.1	-57.5	273.5	227.0	236.0	**9.0**	**5.8**
HDD174	6761465	650130	365.3	321.1	-58.8	498.5	436.0	461.0	25.0	2.5
HDD180	6761447	650006	366.8	319.6	-57.8	399.3	367.0	381.0	14.0	3.4
HDD181	6761380	650073	366.5	320.9	-57.5	444.4	411.0	420.0	9.0	3.2
HDD182	6761377	650076	366.6	322.0	-68.7	435.6	314.0	332.0	18.0	3.1
HDD185	6761500	649917	368.5	319.2	-61.7	339.6	221.0	224.0	3.0	4.9
							230.0	244.0	**14.0**	**5.4**
							248.0	261.0	**13.0**	**5.2**
							307.0	314.0	7.0	2.2
HDD186	6761412	649969	367.5	320.7	-59.0	396.6	254.0	289.0	**35.0**	**2.9**
						including	257.0	275.0	**18.0**	**4.6**
							344.0	354.0	**10.0**	**6.0**
HDD189	6761358	649953	368.0	320.7	-67.1	345.6	305.0	326.0	**21.0**	**4.3**
HDD194	6761235	650007	365.2	321.7	-61.2	375.7	310.0	316.0	6.0	8.0
HDD198	6761322	649812	369.3	314.3	-81.2	279.7	195.0	205.0	10.0	3.8
HDD201W1	6760846	650925	359.0	312.3	-60.3	1045.9	955.0	983.0	28.0	1.6
HDD204	6760704	651208	354.2	318.5	-61.0	1242.4	1145.0	1152.0	7.0	2.7
HDD210	6761138	650645	360.6	317.7	-60.3	858.3	732.0	761.0	29.0	2.6
HDD211	6761129	650784	358.2	318.3	-60.7	909.6	823.0	835.0	12.0	2.3

RC = Reserve Circulation drill hole DD = Diamond drill hole

(Downhole widths approximate true width except where indicated as * not true width)

PROPOSED EXPLORATION ACTIVITES FOR MARCH 2012 QUARTER

- Continued Havana Deeps drill testing
- Systematic regional aircore traversing to fast track evaluation of less explored tenements
- Auger sampling in Group 2 and Group 3 tenure subject to approval of environmental management plan.
- Airborne TEM over the northern part of the tenure to assist in prioritisation of regional aircore traversing.

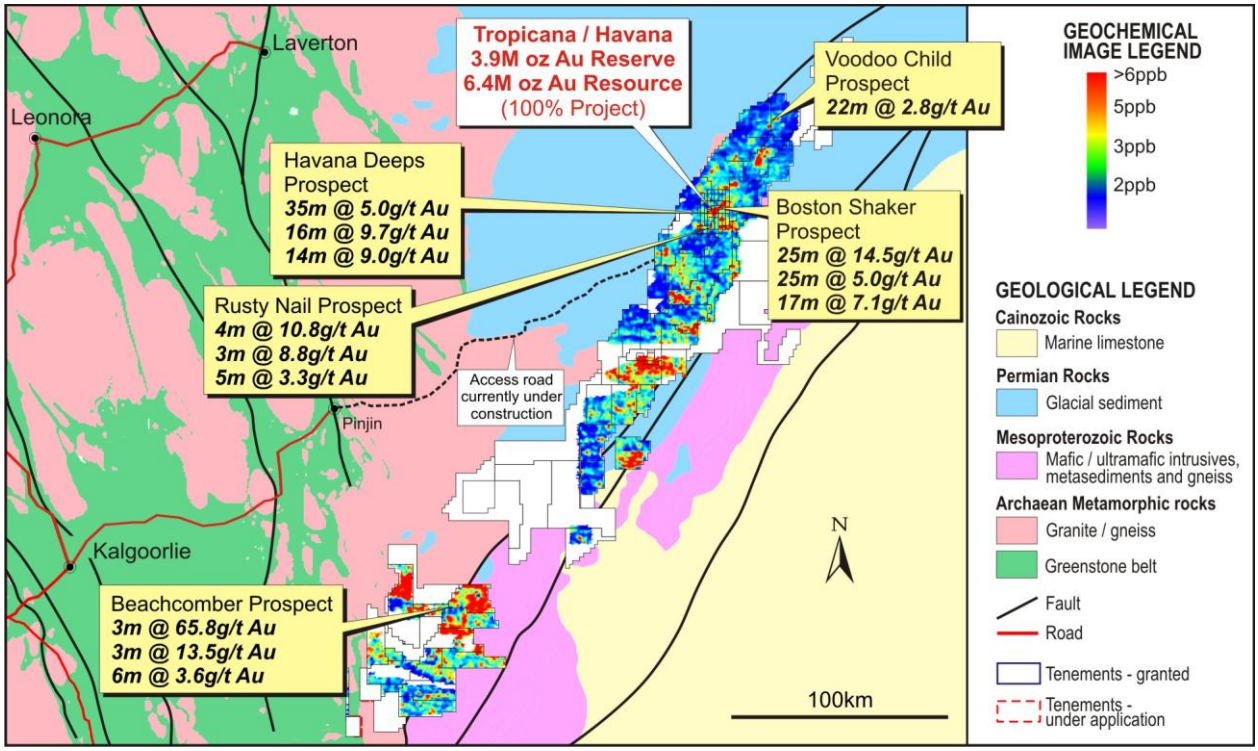

Figure 4: Tropicana JV – Tenure, Tropicana and Havana Reserve Locations, Gold Geochemical Anomalies, Significant Drill Intercepts and Selected Prospect Locations

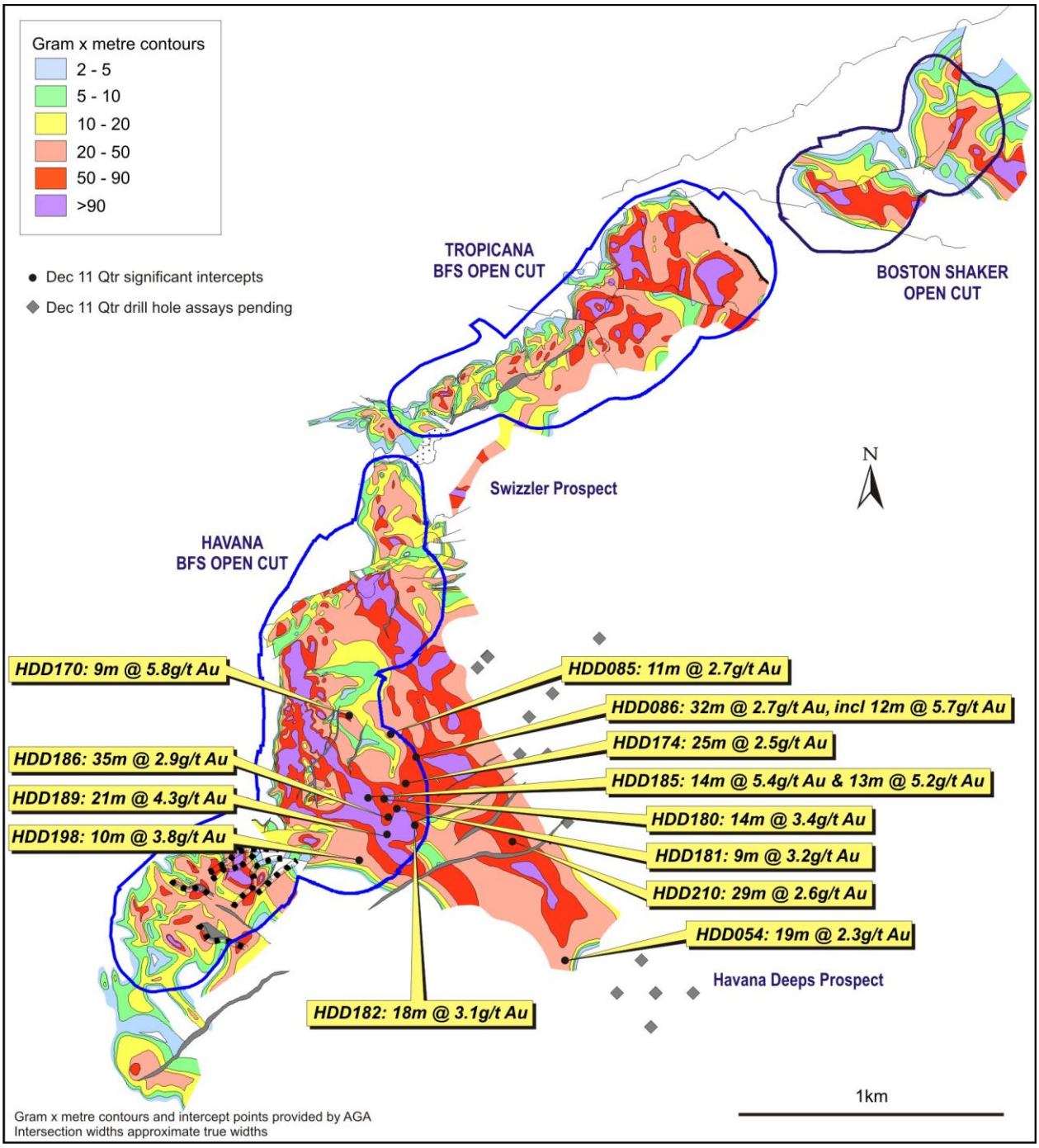

Figure 5: Tropicana JV – Proposed Boston Shaker, Tropicana, Havana and Havana South Open Pit Outlines, g/t Au x Thickness (m) Contours significant December 2011 quarter intercepts and drill holes awaiting assays.

STOCKMAN BASE METALS PROJECT (IGO 100%)

STOCKMAN PROJECT OVERVIEW

The Stockman Project is located in eastern Victoria, 300km north-east of Melbourne ***(Figure 1).***

The project encompasses two copper-zinc-lead-silver-gold volcanogenic massive sulphide (VMS) deposits, Wilga and Currawong, which were discovered by Western Mining in 1978/9. Copper-rich ore was mined at Wilga from 1992 to 1996.

The project is reaching the final stages of a feasibility study. In addition to feasibility work, an extensive exploration program is being carried out both in the vicinity of existing deposits and in other target areas throughout the project tenure, including use of the Company's proprietary geophysical equipment.

STOCKMAN PROJECT DEVELOPMENT

The feasibility study has continued to progress in parallel with project permitting through the quarter.

The feasibility study's metallurgical investigations have been completed, with the generation of a robust process flow sheet that delivers improved performance and a simpler operating regime than anticipated in the 2010 scoping study. Additionally, the work has identified several areas that, with supplementary work, may result in further incremental improvements to copper and precious metal recovery.

A processing plant engineering study has been completed by GR Engineering Services Pty Ltd and plant layout, equipment specification and capital and operating costs have been developed to suit the metallurgical test work.

A groundwater exploration program continued around the Benambra area with drilling of eight bores to test interpreted targets of deep (~80m to 150m below surface) aquifers. To date the results have been positive and completion of the program and pump testing of the bores will occur in the coming quarter.

Work commenced on regaining access to the Wilga workings during the quarter to facilitate resource and exploration drilling and to inspect geotechnical and groundwater conditions. This real data will allow calibration of the geotechnical, geochemical and hydrology predictive models that effect both the feasibility and permitting activities. Approximately 50m of backfill within the portal area was removed and ground support is being applied within the decline itself to bring the ground support up to present-day standards (***see Photo 2).***

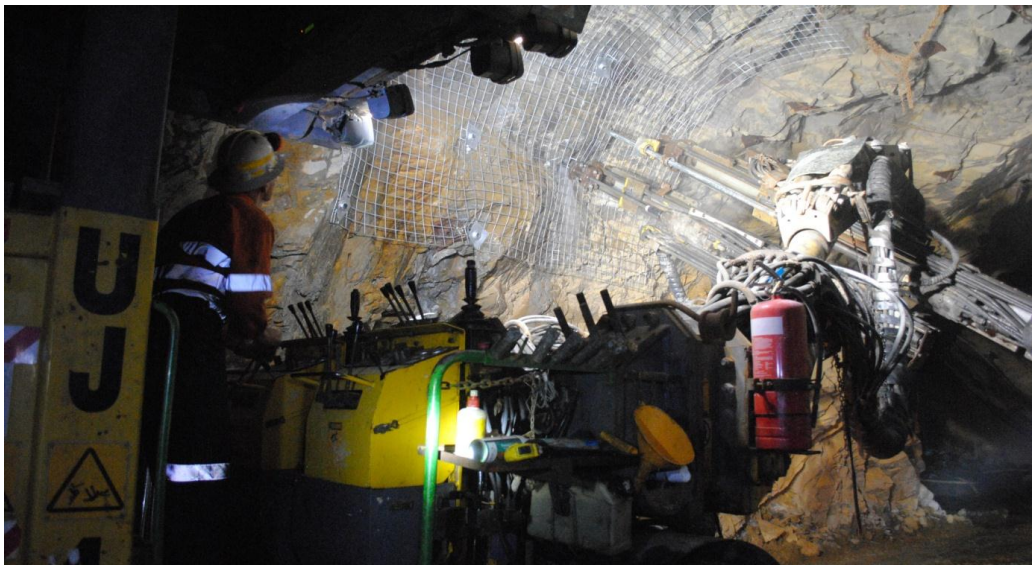

Photo 2: Wilga decline (Stockman Project) showing rehabilitation underway.

To date the underground rock conditions have been very encouraging, and the groundwater recharge has been shown to be very slow. Underground drilling will commence in the March 2012 quarter.

At the end of the quarter some paste backfill strength test results were received that were notably poorer than previous programs. The use of paste backfill as structural underground fill is an integral component of the current mine design and tailings disposal strategy. Repeat tests need to be completed. As backfill strength tests are time-based (e.g. strength is tested at 28-days, 56-days, and so on), this will delay finalising this aspect of the feasibility study until late in the 2012 March Quarter.

PERMITTING

The Stockman project is being permitted simultaneously through the Victorian Environmental Effects Statement (EES) process which incorporates the ability to jointly address the requirements of the Federal Environmental Protection and Biodiversity (EPBC) Act. Preparation of the EES document has continued throughout the quarter and is well advanced, with submission of a draft to government expected mid 2012.

RESOURCE ESTIMATE

Last quarter the Company released the June 2011 Mineral Resource as follows:

Resources: **12,690,000t @ 2.1% Cu, 4.4% Zn, 0.7% Pb, 39 g/t Ag, 1.0 g/t Au**.

Refer to the Company's 2011 Annual Report released through an ASX Announcement dated 20 October 2011 for further details regarding the resource estimate.

It is expected that a maiden reserve statement will be published in conjunction with the feasibility study.

STOCKMAN EXPLORATION

Exploration is focused on a number of key positions proximal to both Currawong and Wilga, as well as on geochemical, geophysical and conceptual targets generated from historical datasets and a comprehensive and detailed airborne VTEM survey covering the entire project area (***Figure 6)***.

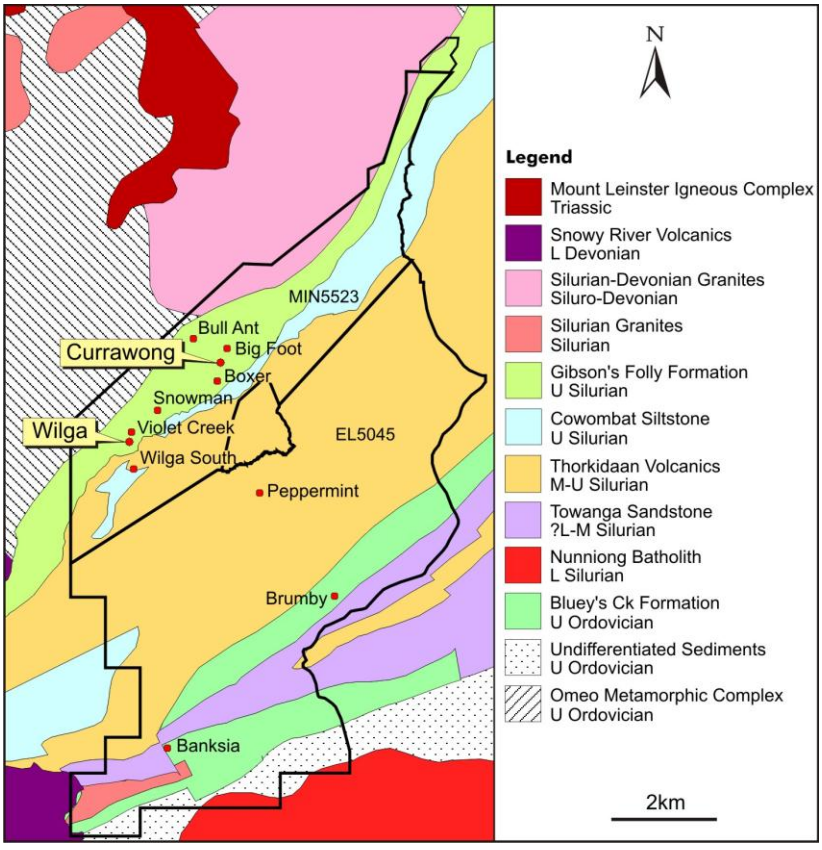

Figure 6: Stockman Project – Regional Geology, Tenure, Deposits and Prospects

A total of 7 diamond holes for 2,834.6m were completed at the Wilga South Prospect where historic diamond drilling identified copper-rich stringer mineralisation only 400m from the Wilga deposit.

Drilling confirmed the presence of three copper stringer horizons, stratigraphically lower than the Wilga massive sulphide lens. Results during the quarter include **17m @ 0.8% Cu (incl. 2.2m @ 3.3% Cu)** from 11SMDD017 and **5.6m @ 1.6% Cu (incl. 1.5m @ 4.8% Cu)** in 11SMDD015. DHTEM probing of drill holes employing IGO's proprietary high powered transmitter has identified conductors that will be used to refine the next round of drill targeting.

Assay results were received from 11SMDD012 that intersected a narrow massive sulphide zone at the Bigfoot prospect reported last quarter. The intercept was **1.2m @ 1.4% Cu, 5% Pb, 9.3% Zn, 133g/t Ag and 6.4g/t Au.** Though narrow, this intersection is considered significant as it is gold rich and open for approximately 250m to the SW towards Currawong, with only one hole drilled in the mineralised horizon between the intersection and 'M' lens. Further drilling to test this horizon is planned for Q1 2012.

Contouring of grades in the Currawong "M" lens has revealed a WNW plunge to mineralisation. This corridor, down plunge of Currawong, is 'open' and represents an excellent conceptual target for testing. Four deep diamond holes holes are proposed to test the interpreted trend at a nominal down plunge spacing of 200m per hole for 2,760m of drilling. The first hole in this program commenced late in the quarter.

KARLAWINDA GOLD PROJECT (IGO 100%)

The Karlawinda Project is located 65km SE of the regional mining centre of Newman in Western Australia and is close to key infrastructure such as to the Great Northern Highway and gas pipeline ***(Figure 1).***

The project area covers a previously unrecognised greenstone belt on the southern margin of the Archaean Sylvania Inlier. The discovery prospect, Frankopan, comprises a very large gold mineralised system extending over a strike length of 1.1km and 0.5km down dip beneath approximately 190m of Bangemall Basin cover sediments.

The current focus is the near surface Bibra Deposit, approximately 5km NE of Frankopan where a scoping study has commenced to determine the potential viability of heap leach and/or conventional CIL development.

Much of the project tenure has only recently been granted or is still ungranted and is yet to be systematically explored.

BIBRA PROSPECT

Bibra comprises a large gold mineralised zone extending over 1km both along strike and down-dip ***(Figure 7).*** Mineralisation strikes NNE and is developed in a series of shallowly WNW plunging rod-like shoots within a more continuous lower grade halo ***(Figure 8).***

Modelling based on 100m x 50m spaced drilling on the supergene, oxide and upper transitional material estimated an initial Inferred Resource of **5.9Mt @ 1.1 g/t (219,000 oz Au).** Refer to IGO 31 March 2011 ASX Quarterly Report for details of the Resource Estimate.

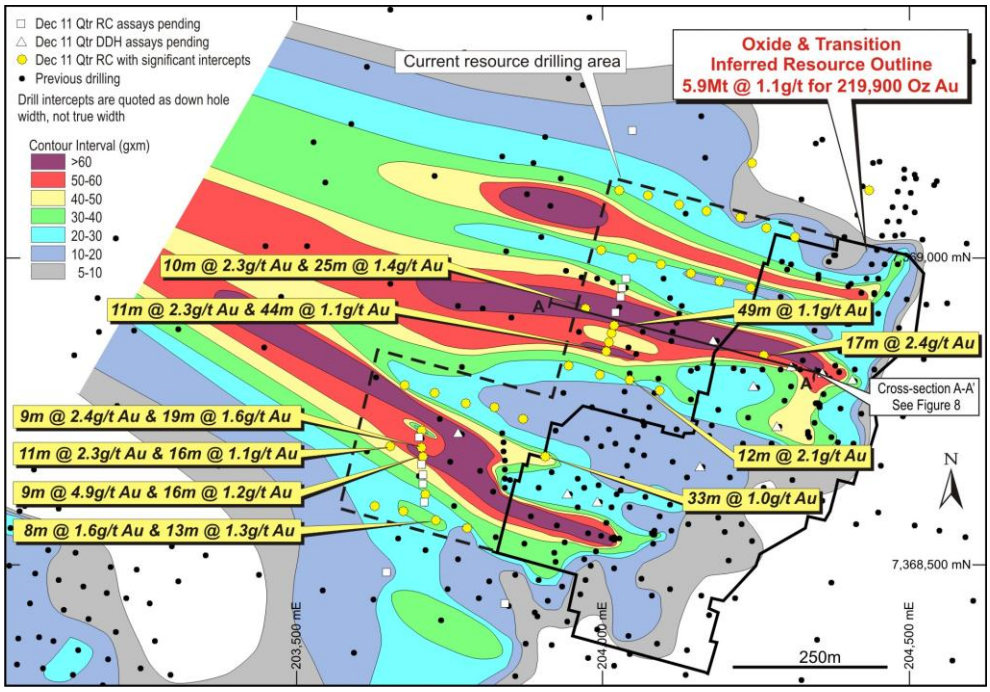

Figure 7: Karlawinda Project – Bibra Prospect Drill Defined Gold Anomalies, Significant December 2011 quarter drill Intercepts, Cross section locations over g/t Au x metre contours.

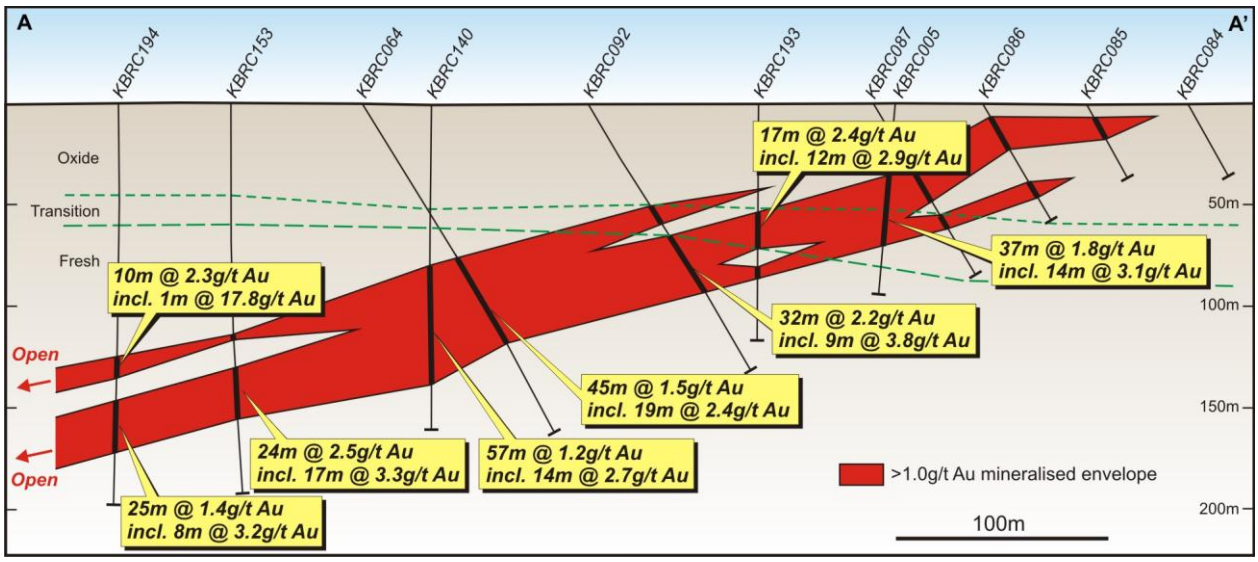

Figure 8: Karlawinda Project – Bibra A-A' section (refer Figure 7 for location).

An RC drilling program was completed during the quarter to infill drill mineralisation down dip of the current Inferred Resource to a vertical depth of appximately 200m. This information is to be included in an updated Resource estimation to be undertaken in Q1 2012. A total of 52 RC holes for 9,187m were completed on a nominal 50m x 100m spacing. Two lines of close spaced (15m) holes were drilled across the down dip position of the southern and northern higher grade shoots to assist in understanding of internal grade distribution. Assay results for the RC drilling have now been received, however several assay batches for drill samples across the higher grade shoots failed to pass IGO QA/QC checks and are being re-assayed. Preliminary results confirm the continuity of high grade shoots down dip from the current Resource. Better intercepts from final assay received to date include:

- KBRC173: **9m** @ **4.9g/t** Au from 110m incl. **7m** @ **6.0g/t Au** from111m
- KBRC183: **11m** @ **2.3g/t** Au from 126m incl. **7m** @ **3.4g/t Au** from 126m
- KBRC172: **9m** @ **2.5g/t** Au from 113m
- KBRC170: **11m** @ **2.3g/t** Au from from 42m and **44m** @ **1.1g/t Au** from 119m incl. **4m** @ **5.5g/t Au**.

December 2011 quarter significant intercepts are listed in **Table 5.**

As part of the scoping study a total of 11 PQ diamond holes for 568m drilling were completed to provide material from the oxide, tranisional and fresh zones. The PQ core collected will be used for heap leach and CIL metallurgical test work. The diamond holes twinned existing RC holes and ¼ core Fire Assay results will be incorporated into resource estimation variography studies. No assay results have been received for this work. Other scoping study actitvities commenced include operating and capital cost assessments.

Table 5: Significant December Quarter Bibra Prospect RC Drilling Results (0.5 g/t cut-off)

Collar						Intercepts Details				
Hole No.	Northing (m)	Easting (m)	RL (MAHD)	Azi (Degr)	Dip (Degr)	Total Depth	Depth From	Depth To	Width (m)	Au (g/t)
KBRC167	7368891	204019	591	113	-87	172	106	155	49	1.1
KBRC168	7368876	204015	591	124	-87	172	108	131	23	1.0
							138	160	22	0.9
KBRC169	7368863	204011	591	111	-87	172	116	156	40	0.9
KBRC170	7368847	204006	591	85	-87	172	42	53	**11**	**2.3**
							119	163	44	1.1
						including	122	126	**4**	**5.5**
KBRC172	7368690	203705	590	151	-87	172	113	122	**9**	**2.5**
							128	147	19	1.6
						including	131	137	**6**	**3.3**
KBRC173	7368675	203706	590	83	-88	172	110	119	9	4.9
						including	111	118	**7**	**6.0**
							126	142	16	1.2
KBRC177	7368615	203710	589	122	-86	178	122	130	8	1.9
KBRC179	7368561	203776	590	136	-84	208	93	101	8	1.2
KBRC180	7368571	203727	589	127	-83	226	86	94	8	1.6
							106	119	13	1.3
KBRC181	7368588	203674	589	120	-86	244	102	112	10	1.2
							125	136	11	1.2
KBRC182	7368595	203628	589	88	-87	268	119	129	10	1.2
KBRC183	7368692	203654	589	95	-84	346	126	137	**11**	**2.3**
						including	126	133	**7**	**3.4**
							144	160	16	1.1
KBRC184	7368675	203907	590	129	-88	184	40	73	33	1.0
							145	158	13	0.8
KBRC186	7368763	203776	590	128	-87	238	111	135	24	0.8
						including	113	115	2	1.4
KBRC190	7368801	204044	591	128	-87	172	128	140	**12**	**2.1**
KBRC191	7368810	203995	591	137	-87	178	125	152	27	0.7
KBRC192	7368825	203945	591	113	-86	202	155	165	10	1.2
KBRC194	7368917	203972	591	104	-87	190	120	130	**10**	**2.3**
							142	167	25	1.4
						including	145	153	**8**	**3.2**
KBRC195	7368937	204290	591	140	-89	100	51	67	16	0.8
KBRC196	7368951	204241	591	116	-89	118	97	99	2	3.0
KBRC202	7369035	204314	592	97	-89	106	65	83	18	0.8
KBRC203	7369049	204267	592	91	-89	118	68	96	28	1.3
						including	68	73	**5**	**3.5**
KBRC208	7369111	204026	593	140	-83	184	131	146	15	0.8
							155	156	1	6.4
KBRC214	7368719	203704	590	139	-89	178	134	151	17	1.2

REGIONAL BASE METALS EXPLORATION

DUKETON NICKEL JOINT VENTURE (IGO Manager earning 70% Nickel rights)

The Duketon Nickel JV with South Boulder Mines Ltd covers ultramafic-rich stratigraphy in the Duketon Greenstone Belt approximately 80km north of the Windarra nickel deposit ***(Figure 1).*** Exploration by the Company, assisted by in-house proprietary geophysical techniques, has confirmed the prospectively of the belt for massive and disseminated nickel-copper-platinum group element (PGE) sulphide mineralisation.

The Company is focusing on the Bulge ultramafic, a prominent thickened portion of ultramafic with a strike length of 8km situated along a more extensive ultramafic package located on the western flank of the project tenure. Over the past 12 months IGO has been focusing its efforts on the Rosie discovery where a scoping study has commenced.

ROSIE RESOURCE

During the quarter an initial Mineral Resource Estimate was completed for the Rosie deposit. Refer to the ASX announcement of 25 January 2012 for full details of the Resource.

The total Rosie Mineral Resource above a 1% Ni cut-off is currently estimated at **1,744,000t @ 1.7% Ni (29,800 Ni t), 0.4% Cu and 1.9g/t Pt + Pd (platinum and palladium)** according to the following classification:

Table 6: Rosie Nickel Resource – December 2011

ROSIE NICKEL RESOURCE >1.0%NI - DECEMBER 2011								
Classification	**Oxidation**	**Tonnes**	**Ni (%)**	**Ni (t)**	**Cu (%)**	**Pt (g/t)**	**Pd (g/t)**	**Pt+Pd (g/t)**
Indicated	Fresh	685,000	1.9	13,300	0.4	0.8	1.1	1.9
	Transitional	30,000	1.6	500	0.3	0.7	1.2	1.9
	Sub-Total	**715,000**	**1.9**	13,800	**0.4**	0.8	1.1	1.9
Inferred	Fresh	990,000	1.6	15,400	0.4	0.8	1.2	2.0
	Transitional	39,000	1.6	600	0.2	0.7	1.0	1.7
	Sub-Total	**1,029,000**	**1.6**	16,000	**0.4**	0.8	1.2	2.0
Total		**1,744,000**	**1.7**	29,800	**0.4**	0.8	1.1	1.9

Note:Ni(t) figures have been rounded to the nearest 100t.

The Resource occurs over a vertical depth of approximately 600m and a strike length of 1100m ***(Figure 9).*** The geometry of, and distribution of metal within the mineralised zones has been affected by multiple phases of tectonic modification which impacts exploration targeting. **Mineralisation remains open along strike and at depth.**

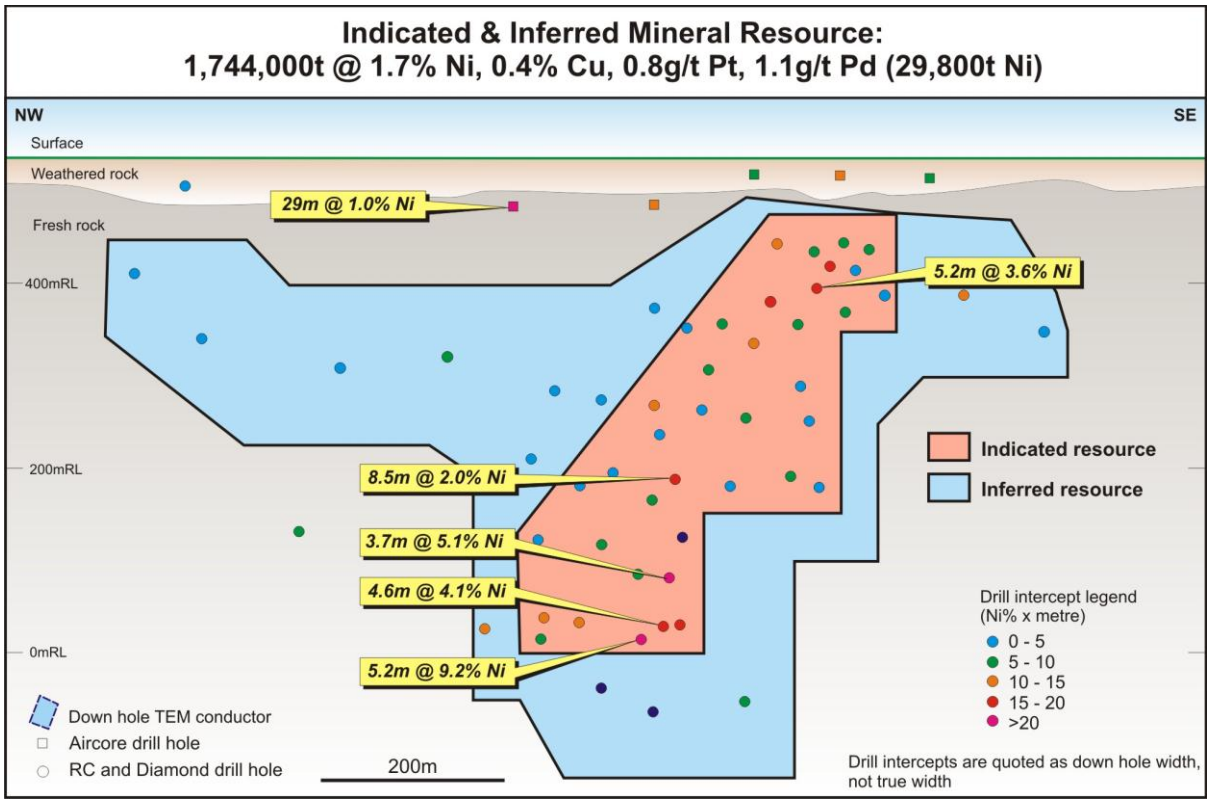

Figure 9: Duketon JV: Rosie Prospect Longitudinal projection showing Indicated and Inferred Mineral Resource boundaries.

EXPLORATION

A further phase of exploration at Duketon is scheduled to commence in February 2012 testing numerous targets including:

- strike and depth extensions of the Rosie deposit targeting thicker, higher grade zones to the Contact mineralised domain.
- possible repeats of Rosie-style mineralisation between Rosie and the C2 disseminated Ni sulphide discovery 1.7km to the NW.
- higher grade zones within C2.

This exploration work will incorporate IGO's proprietary Transient Electromagnetic (TEM) system which was instrumental in the initial discovery of Rosie.

DINGO RANGE JOINT VENTURE (IGO Manager earning 75%)

During the quarter IGO reached agreement with private company Rossiter Minerals to earn a 75% interested in the Dingo Range Project located 125km NW of Laverton and 42km WNW of the Duketon Project.

The Dingo Range Project comprises three tenements covering 225km^2 situated in part over ultramafic units within the Dingo Range Greenstone Belt. Bedrock is largely obscured by soil and alluvial cover. Limited historical exploration within the Dingo Range Belt has identified a nickel sulphide occurrence (the "Divine" occurrence up to 1.3% Ni) and several other areas where drilling has intersected strongly anomalous nickel and copper results. IGO regards the tenure as prospective for magmatic Ni-Cu sulphide mineralisation possibly similar to Duketon. TEM testing of the prospective units commenced in Q4 2001 and is scheduled to continue in Q1 2012

EXPLORATION PROJECT GENERATION

DE BEERS DATABASE (IGO 100%)

In 2009 IGO acquired the non-diamond specific exploration database of De Beers Australia Exploration Limited ("DBAE"). This database represents the culmination of more than 30 years of exploration. The key assets of the database are the 292,000 surface geochemical samples and associated analytical results covering many mineral prospective regions throughout Australia ***(Figure 1).*** As DBAE was solely focused on diamond exploration, less than half of the samples were appraised for commodities other than diamonds.

A total of 39,639 samples have been submitted for geochemical analysis with results from 37,229 samples having been received.

This work continues to generate a significant number of anomalies in gold, base metals and other commodities. Systematic prioritisation and field appraisal and ground acquisition of these anomalies is progressing. No further details can be released due to the competitive nature of this work.

MARCH QUARTER EXPLORATION PROGRAM

NICKEL/BASE METALS	**JAGUAR:**	DDH testing of numerous targets proximal to Bentley. RC testing aircore anomalies south of Bentley
	STOCKMAN:	DDH drilling at Wilga South. DDH testing Currawong Down plunge
	DUKETON:	DDH testing of targets proximal to Rosie. RC testing of C2 and the area between C2 and Rosie.
	DINGO RANGE:	Continued TEM testing of ultramafic horizons
GOLD PROJECTS	**TROPICANA:**	Continued aircore traversing. Regional TEM.
	KARLAWINDA:	Scoping study activities at Bibra including resource estimation, metallurgical test work and economic analysis.
PROJECT GENERATION:	**DE BEERS:**	Continued analysis of priority geochemical samples and field follow-up of anomalies.

Christopher M. Bonwick
Managing Director
INDEPENDENCE GROUP NL

COMPETENT PERSONS STATEMENTS:

Competent Person Sign Off: With the exception of the Tropicana Mineral Resources and Ore Reserves, the information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Christopher M Bonwick who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Christopher Bonwick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Christopher Bonwick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Tropicana JV: Please refer to the Company's 26 July 2011 and 29 November 2011 ASX announcements for Tropicana Mineral Resource and Ore Reserve Competent Persons Statements.

Duketon JV: Please refer to the Company's 25 January 2012 ASX announcement for the Duketon Mineral Resource Competent Persons Statement.

FORWARD-LOOKING STATEMENTS:

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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